

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SENATE BILL 1032

AN ACT

AMENDING SECTIONS 15-341, 15-2002, 15-2022 AND 15-2031, ARIZONA REVISED
STATUTES; RELATING TO THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-341, Arizona Revised Statutes, is amended to
3 read:

4 15-341. General powers and duties; immunity; delegation

5 A. The governing board shall:

6 1. Prescribe and enforce policies and procedures for the governance of
7 the schools, not inconsistent with law or rules prescribed by the state board
8 of education.

9 2. Maintain the schools established by it for the attendance of each
10 pupil for a period of not less than one hundred seventy-five school days or
11 two hundred school days, as applicable, or its equivalent as approved by the
12 superintendent of public instruction for a school district operating on a
13 year-round operation basis, to offer an educational program on the basis of a
14 four day school week or to offer an alternative kindergarten program on the
15 basis of a three day school week, in each school year, and if the funds of
16 the district are sufficient, for a longer period, and as far as practicable
17 with equal rights and privileges.

18 3. Exclude from schools all books, publications, papers or audiovisual
19 materials of a sectarian, partisan or denominational character.

20 4. Manage and control the school property within its district.

21 5. Acquire school furniture, apparatus, equipment, library books and
22 supplies for the use of the schools.

23 6. Prescribe the curricula and criteria for the promotion and
24 graduation of pupils as provided in sections 15-701 and 15-701.01.

25 7. Furnish, repair and insure, at full insurable value, the school
26 property of the district.

27 8. Construct school buildings on approval by a vote of the district
28 electors.

29 9. Make in the name of the district conveyances of property belonging
30 to the district and sold by the board.

31 10. Purchase school sites when authorized by a vote of the district at
32 an election conducted as nearly as practicable in the same manner as the
33 election provided in section 15-481 and held on a date prescribed in section
34 15-491, subsection E, but such authorization shall not necessarily specify
35 the site to be purchased and such authorization shall not be necessary to
36 exchange unimproved property as provided in section 15-342, paragraph 23.

37 11. Construct, improve and furnish buildings used for school purposes
38 when such buildings or premises are leased from the national park service.

39 12. Purchase school sites or construct, improve and furnish school
40 buildings from the proceeds of the sale of school property only on approval
41 by a vote of the district electors.

42 13. Hold pupils to strict account for disorderly conduct on school
43 property.

44 14. Discipline students for disorderly conduct on the way to and from
45 school.

1 15. Except as provided in section 15-1224, deposit all monies received
2 by the district as gifts, grants and devises with the county treasurer who
3 shall credit the deposits as designated in the uniform system of financial
4 records. If not inconsistent with the terms of the gifts, grants and devises
5 given, any balance remaining after expenditures for the intended purpose of
6 the monies have been made shall be used for reduction of school district
7 taxes for the budget year, except that in the case of accommodation schools
8 the county treasurer shall carry the balance forward for use by the county
9 school superintendent for accommodation schools for the budget year.

10 16. Provide that, if a parent or legal guardian chooses not to accept a
11 decision of the teacher as provided in section 15-521, paragraph 3, the
12 parent or legal guardian may request in writing that the governing board
13 review the teacher's decision. Nothing in this paragraph shall be construed
14 to release school districts from any liability relating to a child's
15 promotion or retention.

16 17. Provide for adequate supervision over pupils in instructional and
17 noninstructional activities by certificated or noncertificated personnel.

18 18. Use school monies received from the state and county school
19 apportionment exclusively for payment of salaries of teachers and other
20 employees and contingent expenses of the district.

21 19. Make an annual report to the county school superintendent on or
22 before October 1 each year in the manner and form and on the blanks
23 prescribed by the superintendent of public instruction or county school
24 superintendent. The board shall also make reports directly to the county
25 school superintendent or the superintendent of public instruction whenever
26 required.

27 20. Deposit all monies received by school districts other than student
28 activities monies or monies from auxiliary operations as provided in sections
29 15-1125 and 15-1126 with the county treasurer to the credit of the school
30 district except as provided in paragraph 21 of this subsection and sections
31 15-1223 and 15-1224, and the board shall expend the monies as provided by law
32 for other school funds.

33 21. Establish a bank account in which the board during a month may
34 deposit miscellaneous monies received directly by the district. The board
35 shall remit monies deposited in the bank account at least monthly to the
36 county treasurer for deposit as provided in paragraph 20 of this subsection
37 and in accordance with the uniform system of financial records.

38 22. Employ an attorney admitted to practice in this state whose
39 principal practice is in the area of commercial real estate, or a real estate
40 broker who is licensed by this state and who is employed by a reputable
41 commercial real estate company, to negotiate a lease of five or more years
42 for the school district if the governing board decides to enter into a lease
43 of five or more years as lessor of school buildings or grounds as provided in
44 section 15-342, paragraph 7 or 10. Any lease of five or more years
45 negotiated pursuant to this paragraph shall provide that the lessee is

1 responsible for payment of property taxes pursuant to the requirements of
2 section 42-11104.

3 23. Prescribe and enforce policies and procedures for disciplinary
4 action against a teacher who engages in conduct that is a violation of the
5 policies of the governing board but that is not cause for dismissal of the
6 teacher or for revocation of the certificate of the teacher. Disciplinary
7 action may include suspension without pay for a period of time not to exceed
8 ten school days. Disciplinary action shall not include suspension with pay
9 or suspension without pay for a period of time longer than ten school days.
10 The procedures shall include notice, hearing and appeal provisions for
11 violations that are cause for disciplinary action. The governing board may
12 designate a person or persons to act on behalf of the board on these matters.

13 24. Prescribe and enforce policies and procedures for disciplinary
14 action against an administrator who engages in conduct that is a violation of
15 the policies of the governing board regarding duties of administrators but
16 that is not cause for dismissal of the administrator or for revocation of the
17 certificate of the administrator. Disciplinary action may include suspension
18 without pay for a period of time not to exceed ten school days. Disciplinary
19 action shall not include suspension with pay or suspension without pay for a
20 period of time longer than ten school days. The procedures shall include
21 notice, hearing and appeal provisions for violations that are cause for
22 disciplinary action. The governing board may designate a person or persons
23 to act on behalf of the board on these matters. For violations that are
24 cause for dismissal, the provisions of notice, hearing and appeal in chapter
25 5, article 3 of this title shall apply. The filing of a timely request for a
26 hearing suspends the imposition of a suspension without pay or a dismissal
27 pending completion of the hearing.

28 25. Notwithstanding section 13-3108, prescribe and enforce policies and
29 procedures that prohibit a person from carrying or possessing a weapon on
30 school grounds unless the person is a peace officer or has obtained specific
31 authorization from the school administrator.

32 26. Prescribe and enforce policies and procedures relating to the
33 health and safety of all pupils participating in district sponsored practice
34 sessions, games or other interscholastic athletic activities, including the
35 provision of water.

36 27. Prescribe and enforce policies and procedures regarding the smoking
37 of tobacco within school buildings. The policies and procedures shall be
38 adopted in consultation with school district personnel and members of the
39 community and shall state whether smoking is prohibited in school buildings.
40 If smoking in school buildings is not prohibited, the policies and procedures
41 shall clearly state the conditions and circumstances under which smoking is
42 permitted, those areas in a school building that may be designated as smoking
43 areas and those areas in a school building that may not be designated as
44 smoking areas.

1 28. Establish an assessment, data gathering and reporting system as
2 prescribed in chapter 7, article 3 of this title.

3 29. Provide special education programs and related services pursuant to
4 section 15-764, subsection A to all children with disabilities as defined in
5 section 15-761.

6 30. Administer competency tests prescribed by the state board of
7 education for the graduation of pupils from high school.

8 31. Secure insurance coverage for all construction projects for
9 purposes of general liability, property damage and workers' compensation and
10 secure performance and payment bonds for all construction projects.

11 32. Keep on file the resumes of all current and former employees who
12 provide instruction to pupils at a school. Resumes shall include an
13 individual's educational and teaching background and experience in a
14 particular academic content subject area. A school district shall inform
15 parents and guardians of the availability of the resume information and shall
16 make the resume information available for inspection on request of parents
17 and guardians of pupils enrolled at a school. Nothing in this paragraph
18 shall be construed to require any school to release personally identifiable
19 information in relation to any teacher or employee, including the teacher's
20 or employee's address, salary, social security number or telephone number.

21 33. Report to local law enforcement agencies any suspected crime
22 against a person or property that is a serious offense as defined in section
23 13-604 or that involves a deadly weapon or dangerous instrument or serious
24 physical injury and any conduct that poses a threat of death or serious
25 physical injury to employees, students or anyone on the property of the
26 school. This paragraph does not limit or preclude the reporting by a school
27 district or an employee of a school district of suspected crimes other than
28 those required to be reported by this paragraph. For the purposes of this
29 paragraph, "dangerous instrument", "deadly weapon" and "serious physical
30 injury" have the same ~~meaning~~ **MEANINGS** prescribed in section 13-105.

31 34. In conjunction with local law enforcement agencies and local
32 medical facilities, develop an emergency response plan for each school in the
33 school district in accordance with minimum standards developed jointly by the
34 department of education and the division of emergency management within the
35 department of emergency and military affairs.

36 35. Annually assign at least one school district employee to
37 participate in a multihazard crisis training program developed or selected by
38 the governing board.

39 36. Provide written notice to the parents or guardians of all students
40 affected in the school district at least thirty days prior to a public
41 meeting to discuss closing a school within the school district. The notice
42 shall include the reasons for the proposed closure and the time and place of
43 the meeting. The governing board shall fix a time for a public meeting on
44 the proposed closure no less than thirty days before voting in a public
45 meeting to close the school. The school district governing board shall give

1 notice of the time and place of the meeting. At the time and place
2 designated in the notice, the school district governing board shall hear
3 reasons for or against closing the school. The school district governing
4 board is exempt from this paragraph if it is determined by the governing
5 board that the school shall be closed because it poses a danger to the health
6 or safety of the pupils or employees of the school.

7 37. Incorporate instruction on Native American history into appropriate
8 existing curricula.

9 38. Prescribe and enforce policies and procedures allowing pupils who
10 have been diagnosed with anaphylaxis by a health care provider licensed
11 pursuant to title 32, chapter 13, 14, 17 or 25 or by a registered nurse
12 practitioner licensed and certified pursuant to title 32, chapter 15 to carry
13 and self-administer emergency medications including auto-injectable
14 epinephrine while at school and at school sponsored activities. The pupil's
15 name on the prescription label on the medication container or on the
16 medication device and annual written documentation from the pupil's parent or
17 guardian to the school that authorizes possession and self-administration is
18 sufficient proof that the pupil is entitled to the possession and
19 self-administration of the medication. The policies shall require a pupil
20 who uses auto-injectable epinephrine while at school and at school sponsored
21 activities to notify the nurse or the designated school staff person of the
22 use of the medication as soon as practicable. A school district and its
23 employees are immune from civil liability with respect to all decisions made
24 and actions taken that are based on good faith implementation of the
25 requirements of this paragraph, except in cases of wanton or wilful neglect.

26 39. Allow the possession and self-administration of prescription
27 medication for breathing disorders in handheld inhaler devices, by pupils
28 who have been prescribed that medication by a health care professional
29 licensed pursuant to title 32. The pupil's name on the prescription label on
30 the medication container or on the handheld inhaler device and annual written
31 documentation from the pupil's parent or guardian to the school that
32 authorizes possession and self-administration shall be sufficient proof that
33 the pupil is entitled to the possession and self-administration of the
34 medication. A school district and its employees are immune from civil
35 liability with respect to all decisions made and actions taken that are based
36 on a good faith implementation of the requirements of this paragraph.

37 40. Prescribe and enforce policies and procedures to prohibit pupils
38 from harassing, intimidating and bullying other pupils on school grounds, on
39 school property, on school buses, at school bus stops and at school sponsored
40 events and activities that include the following components:

41 (a) A procedure for pupils to confidentially report to school
42 officials incidents of harassment, intimidation or bullying.

43 (b) A procedure for parents and guardians of pupils to submit written
44 reports to school officials of suspected incidents of harassment,
45 intimidation or bullying.

1 (c) A requirement that school district employees report suspected
2 incidents of harassment, intimidation or bullying to the appropriate school
3 official.

4 (d) A formal process for the documentation of reported incidents of
5 harassment, intimidation or bullying, except that no documentation shall be
6 maintained unless the harassment, intimidation or bullying has been proven.

7 (e) A formal process for the investigation by the appropriate school
8 officials of suspected incidents of harassment, intimidation or bullying.

9 (f) Disciplinary procedures for pupils who have admitted or been found
10 to have committed incidents of harassment, intimidation or bullying.

11 (g) A procedure that sets forth consequences for submitting false
12 reports of incidents of harassment, intimidation or bullying.

13 41. Prescribe and enforce policies and procedures regarding changing or
14 adopting attendance boundaries that include the following components:

15 (a) A procedure for holding public meetings to discuss attendance
16 boundary changes or adoptions that allows public comments.

17 (b) A procedure to notify the parents or guardians of the students
18 affected.

19 (c) A procedure to notify the residents of the households affected by
20 the attendance boundary changes.

21 (d) A process for placing public meeting notices and proposed maps on
22 the school district's website for public review, if the school district
23 maintains a website.

24 (e) A formal process for presenting the attendance boundaries of the
25 affected area in public meetings that allows public comments.

26 (f) A formal process for notifying the residents and parents or
27 guardians of the affected area as to the decision of the governing board on
28 the school district's website, if the school district maintains a website.

29 (g) A formal process for updating attendance boundaries on the school
30 district's website within ninety days of an adopted boundary change. The
31 school district shall send a direct link to the school district's attendance
32 boundaries website to the department of real estate.

33 (h) If the land that a school was built on was donated within the past
34 five years, a formal process to notify the entity ~~who~~ THAT donated the land
35 affected by the decision of the governing board.

36 B. Notwithstanding subsection A, paragraphs 8, 10 and 12 of this
37 section, the county school superintendent may construct, improve and furnish
38 school buildings or purchase or sell school sites in the conduct of an
39 accommodation school.

40 C. If any school district acquires real or personal property, whether
41 by purchase, exchange, condemnation, gift or otherwise, the governing board
42 shall pay to the county treasurer any taxes on the property that were unpaid
43 as of the date of acquisition, including penalties and interest. The lien
44 for unpaid delinquent taxes, penalties and interest on property acquired by a
45 school district:

1 1. Is not abated, extinguished, discharged or merged in the title to
2 the property.

3 2. Is enforceable in the same manner as other delinquent tax liens.

4 D. The governing board may not locate a school on property that is
5 less than one-fourth mile from agricultural land regulated pursuant to
6 section 3-365, except that the owner of the agricultural land may agree to
7 comply with the buffer zone requirements of section 3-365. If the owner
8 agrees in writing to comply with the buffer zone requirements and records the
9 agreement in the office of the county recorder as a restrictive covenant
10 running with the title to the land, the school district may locate a school
11 within the affected buffer zone. The agreement may include any stipulations
12 regarding the school, including conditions for future expansion of the school
13 and changes in the operational status of the school that will result in a
14 breach of the agreement.

15 E. A school district, its governing board members, its school council
16 members and its employees are immune from civil liability for the
17 consequences of adoption and implementation of policies and procedures
18 pursuant to subsection A of this section and section 15-342. This waiver
19 does not apply if the school district, its governing board members, its
20 school council members or its employees are guilty of gross negligence or
21 intentional misconduct.

22 F. A governing board may delegate in writing to a superintendent,
23 principal or head teacher the authority to prescribe procedures that are
24 consistent with the governing board's policies.

25 G. Notwithstanding any other provision of this title, a school
26 district governing board shall not take any action that would result in ~~an~~
27 ~~immediate reduction or~~ a reduction ~~within three years~~ of pupil square footage
28 ~~that would cause the school district to fall below the minimum adequate gross~~
29 ~~square footage requirements prescribed in section 15-2011, subsection C,~~
30 unless the governing board notifies the school facilities board established
31 by section 15-2001 of the proposed action and receives written approval from
32 the school facilities board to take the action. A reduction includes an
33 increase in administrative space that results in a reduction of pupil square
34 footage or sale of school sites or buildings, or both. A reduction includes
35 a reconfiguration of grades that results in a reduction of pupil square
36 footage of any grade level. This subsection does not apply to temporary
37 reconfiguration of grades to accommodate new school construction if the
38 temporary reconfiguration does not exceed one year. The sale of equipment
39 that results in ~~an immediate reduction or~~ a reduction ~~within three years~~ that
40 falls below the equipment requirements prescribed in section 15-2011,
41 subsection B is subject to commensurate withholding of school district
42 capital outlay revenue limit monies pursuant to the direction of the school
43 facilities board. Except as provided in section 15-342, paragraph 10,
44 proceeds from the sale of school sites, buildings or other equipment shall be
45 deposited in the school plant fund as provided in section 15-1102.

1 H. Subsections C through G of this section apply to a county board of
2 supervisors and a county school superintendent when operating and
3 administering an accommodation school.

4 I. Until the state board of education and the auditor general adopt
5 rules pursuant to section 15-213, subsection I, a school district may procure
6 construction services, including services for new school construction
7 pursuant to section 15-2041, by the construction-manager-at-risk,
8 design-build and job-order-contracting methods of project delivery as
9 provided in title 41, chapter 23, except that the rules adopted by the
10 director of the department of administration do not apply to procurements
11 pursuant to this subsection. Any procurement commenced pursuant to this
12 subsection may be completed pursuant to this subsection.

13 Sec. 2. Section 15-2002, Arizona Revised Statutes, is amended to read:
14 15-2002. Powers and duties; executive director; staffing;
15 report

16 A. The school facilities board shall:

17 1. Make assessments of school facilities and equipment deficiencies
18 and approve the distribution of grants as appropriate.

19 2. Develop a database for administering the building renewal formula
20 prescribed in section 15-2031 and administer the distribution of monies to
21 school districts for building renewal.

22 3. Inspect school buildings at least once every five years to ensure
23 compliance with the building adequacy standards prescribed in section 15-2011
24 and routine preventative maintenance guidelines as prescribed in this section
25 with respect to construction of new buildings and maintenance of existing
26 buildings. The school facilities board shall randomly select twenty school
27 districts every thirty months and inspect them pursuant to this paragraph.

28 4. Review and approve student population projections submitted by
29 school districts to determine to what extent school districts are entitled to
30 monies to construct new facilities pursuant to section 15-2041. The board
31 shall make a final determination within six months of the receipt of an
32 application by a school district for monies from the new school facilities
33 fund.

34 5. Certify that plans for new school facilities meet the building
35 adequacy standards prescribed in section 15-2011.

36 6. Develop prototypical elementary and high school designs. The board
37 shall review the design differences between the schools with the highest
38 academic productivity scores and the schools with the lowest academic
39 productivity scores. The board shall also review the results of a valid and
40 reliable survey of parent quality rating in the highest performing schools
41 and the lowest performing schools in this state. The survey of parent
42 quality rating shall be administered by the department of education. The
43 board shall consider the design elements of the schools with the highest
44 academic productivity scores and parent quality ratings in the development of
45 elementary and high school designs. The board shall develop separate school

1 designs for elementary, middle and high schools with varying pupil
2 capacities.

3 7. Develop application forms, reporting forms and procedures to carry
4 out the requirements of this article.

5 8. Review and approve or reject requests submitted by school districts
6 to take actions pursuant to section 15-341, subsection ~~F~~ G.

7 9. Submit an annual report by December 15 to the speaker of the house
8 of representatives, the president of the senate, the superintendent of public
9 instruction, the director of the Arizona state library, archives and public
10 records and the governor that includes the following information:

11 (a) A detailed description of the amount of monies distributed by the
12 school facilities board in the previous fiscal year.

13 (b) A list of each capital project that received monies from the
14 school facilities board during the previous fiscal year, a brief description
15 of each project that was funded and a summary of the board's reasons for the
16 distribution of monies for the project.

17 (c) A summary of the findings and conclusions of the building
18 maintenance inspections conducted pursuant to this article during the
19 previous fiscal year.

20 (d) A summary of the findings of common design elements and
21 characteristics of the highest performing schools and the lowest performing
22 schools based on academic productivity including the results of the parent
23 quality rating survey. For the purposes of this subdivision, "academic
24 productivity" means academic year advancement per calendar year as measured
25 with student-level data using the statewide nationally standardized
26 norm-referenced achievement test.

27 10. By December 1 of each year, report to the joint committee on
28 capital review the amounts necessary to fulfill the requirements of sections
29 15-2022, 15-2031 and 15-2041 for the following fiscal year and the estimated
30 amounts necessary to fulfill the requirements of sections 15-2022, 15-2031
31 and 15-2041 for the fiscal year following the next fiscal year. The board
32 shall provide copies of the report to the president of the senate, the
33 speaker of the house of representatives and the governor.

34 11. Adopt minimum school facility adequacy guidelines to provide the
35 minimum quality and quantity of school buildings and the facilities and
36 equipment necessary and appropriate to enable pupils to achieve the
37 educational goals of the Arizona state schools for the deaf and the blind.
38 The school facilities board shall establish minimum school facility adequacy
39 guidelines applicable to the Arizona state schools for the deaf and the
40 blind.

41 12. In each even-numbered year, report to the joint committee on
42 capital review the amounts necessary to fulfill the requirements of sections
43 15-2031 and 15-2041 for the Arizona state schools for the deaf and the blind
44 for the following two fiscal years. The Arizona state schools for the deaf
45 and the blind shall incorporate the findings of the report in any request for

1 building renewal monies and new school facilities monies. Any monies
2 provided to the Arizona state schools for the deaf and the blind for building
3 renewal and for new school facilities are subject to legislative
4 appropriation.

5 13. By June 15 of each year, submit detailed information regarding
6 demographic assumptions, a proposed construction schedule and new school
7 construction cost estimates for individual projects approved in the current
8 fiscal year and expected project approvals for the upcoming fiscal year to
9 the joint committee on capital review for its review. A copy of the report
10 shall also be submitted to the governor's office of strategic planning and
11 budgeting. The joint legislative budget committee staff, the governor's
12 office of strategic planning and budgeting staff and the school facilities
13 board staff shall agree on the format of the report.

14 14. Every two years, provide school districts with information on
15 improving and maintaining the indoor environmental quality in school
16 buildings.

17 B. The school facilities board may contract for private services in
18 compliance with the procurement practices prescribed in title 41, chapter 23.

19 C. The governor shall appoint an executive director of the school
20 facilities board pursuant to section 38-211. The executive director is
21 eligible to receive compensation as determined pursuant to section 38-611 and
22 may hire and fire necessary staff as approved by the legislature in the
23 budget. The executive director shall have demonstrated competency in school
24 finance, facilities design or facilities management, either in private
25 business or government service. The executive director serves at the
26 pleasure of the governor. The staff of the school facilities board is exempt
27 from title 41, chapter 4, articles 5 and 6. The executive director:

28 1. Shall analyze applications for monies submitted to the board by
29 school districts.

30 2. Shall assist the board in developing forms and procedures for the
31 distribution and review of applications and the distribution of monies to
32 school districts.

33 3. May review or audit, or both, the expenditure of monies by a school
34 district for deficiencies corrections, building renewal and new school
35 facilities.

36 4. Shall assist the board in the preparation of the board's annual
37 report.

38 5. Shall research and provide reports on issues of general interest to
39 the board.

40 6. May aid school districts in the development of reasonable and
41 cost-effective school designs in order to avoid statewide duplicated efforts
42 and unwarranted expenditures in the area of school design.

43 7. May assist school districts in facilitating the development of
44 multijurisdictional facilities.

1 8. Shall assist the board in any other appropriate matter or method as
2 directed by the members of the board.

3 9. Shall establish procedures to ensure compliance with the notice and
4 hearing requirements prescribed in section 15-905. The notice and hearing
5 procedures adopted by the board shall include the requirement, with respect
6 to the board's consideration of any application filed after July 1, 2001 or
7 after December 31 of the year in which the property becomes territory in the
8 vicinity of a military airport or ancillary military facility as defined in
9 section 28-8461 for monies to fund the construction of new school facilities
10 proposed to be located in territory in the vicinity of a military airport or
11 ancillary military facility, that the military airport receive notification
12 of the application by first class mail at least thirty days before any
13 hearing concerning the application.

14 10. May expedite any request for monies in which the local match was
15 not obtained for a project that received preliminary approval by the state
16 board for school capital facilities.

17 11. Shall expedite any request for monies in which the school district
18 governing board submits an application that shows an immediate need for a new
19 school facility.

20 12. Shall make a determination as to administrative completion within
21 one month after the receipt of an application by a school district for monies
22 from the new school facilities fund.

23 13. Shall provide technical support to school districts as requested by
24 school districts in connection with the construction of new school facilities
25 and the maintenance of existing school facilities.

26 D. When appropriate, the school facilities board shall review and use
27 the statewide school facilities inventory and needs assessment conducted by
28 the joint committee on capital review and issued in July, 1995.

29 E. The school facilities board shall contract with one or more private
30 building inspectors to complete an initial assessment of school facilities
31 and equipment and shall inspect each school building in this state at least
32 once every five years to ensure compliance with section 15-2011. A copy of
33 the inspection report, together with any recommendations for building
34 maintenance, shall be provided to the school facilities board and the
35 governing board of the school district.

36 F. The school facilities board may consider appropriate combinations
37 of facilities or uses in making assessments of and curing deficiencies
38 pursuant to subsection A, paragraph 1 of this section and in certifying plans
39 for new school facilities pursuant to subsection A, paragraph 5 of this
40 section.

41 G. The board shall not award any monies to fund new facilities that
42 are financed by class A bonds that are issued by the school district.

43 H. The board shall not distribute monies to a school district for
44 replacement or repair of facilities if the costs associated with the

1 replacement or repair are covered by insurance or a performance or payment
2 bond.

3 I. The board may contract for construction services and materials that
4 are necessary to correct existing deficiencies in school district facilities.

5 The board may procure the construction services necessary pursuant to this
6 subsection by any method including construction-manager-at-risk,
7 design-build, design-bid-build or job-order-contracting as provided by title
8 41, chapter 23. The construction planning and services performed pursuant to
9 this subsection are exempt from section 41-791.01.

10 J. The school facilities board may enter into agreements with school
11 districts to allow school facilities board staff and contractors access to
12 school property for the purposes of performing the construction services
13 necessary pursuant to subsection ~~I~~ J of this section.

14 K. Each school district shall develop routine preventative maintenance
15 guidelines for its facilities. The guidelines shall be submitted to the
16 school facilities board for review and approval. If upon inspection by the
17 school facilities board it is determined that a school district facility was
18 inadequately maintained pursuant to the school district's routine
19 preventative maintenance guidelines, the school district shall use building
20 renewal monies pursuant to section 15-2031, subsection L to return the
21 building to compliance with the school district's routine preventative
22 maintenance guidelines. Once the district is in compliance, it no longer is
23 required to use building renewal monies for preventative maintenance.

24 L. The school facilities board may temporarily transfer monies between
25 the capital reserve fund established by section 15-2003, the emergency
26 deficiencies correction fund established by section 15-2022, the building
27 renewal fund established by section 15-2031 and the new school facilities
28 fund established by section 15-2041 if all of the following conditions are
29 met:

30 1. The transfer is necessary to avoid a temporary shortfall in the
31 fund into which the monies are transferred.

32 2. The transferred monies are restored to the fund where the monies
33 originated as soon as practicable after the temporary shortfall in the other
34 fund has been addressed.

35 3. The school facilities board reports to the joint committee on
36 capital review the amount of and the reason for any monies transferred.

37 Sec. 3. Section 15-2022, Arizona Revised Statutes, is amended to read:
38 15-2022. Emergency deficiencies correction fund; definition

39 A. An emergency deficiencies correction fund is established consisting
40 of monies transferred from ~~the deficiencies correction fund established by~~
41 ~~section 15-2021 or~~ the new school facilities fund established by section
42 15-2041. The school facilities board shall administer the fund and
43 distribute monies in accordance with the rules of the school facilities board
44 to school districts for emergency purposes. The school facilities board
45 shall not transfer monies from ~~the deficiencies correction fund and~~ the new

1 school facilities fund if the transfer will affect, interfere with, disrupt
2 or reduce any capital projects that the school facilities board has approved
3 pursuant to ~~sections 15-2021 and~~ SECTION 15-2041. The school facilities
4 board shall transfer to the emergency deficiencies correction fund the amount
5 necessary each fiscal year to fulfill the requirements of this section.
6 Monies in the fund are continuously appropriated and are exempt from the
7 provisions of section 35-190 relating to lapsing of appropriations.

8 B. If the school facilities board determines that there are
9 insufficient monies in the emergency deficiencies correction fund to correct
10 an emergency, the school district may correct the emergency pursuant to
11 section 15-907.

12 C. If a school district has an emergency, the school district shall
13 apply to the school facilities board for funding for the emergency. The
14 school district's application shall disclose any insurance or building
15 renewal monies available to the school district to pay for the emergency.

16 D. The school facilities board staff shall ~~notify~~ ACKNOWLEDGE RECEIPT
17 OF the school ~~district of the staff's recommendation~~ DISTRICT'S APPLICATION
18 FOR EMERGENCY DEFICIENCIES FUNDING IN WRITING within five business days of
19 receiving the application. The school facilities board STAFF shall ~~decide on~~
20 ~~the staff's recommendation for funding at the next scheduled school~~
21 ~~facilities board meeting~~ INCLUDE IN THE WRITTEN ACKNOWLEDGEMENT OF RECEIPT TO
22 THE SCHOOL DISTRICT AN ESTIMATED TIME FRAME THAT THE EMERGENCY DEFICIENCIES
23 PROJECT IS ANTICIPATED FOR COMPLETION AND ANY INVESTIGATIVE, STUDY OR
24 INFORMATIONAL REQUIREMENTS FROM THE SCHOOL DISTRICT NECESSARY FOR THE SCHOOL
25 FACILITIES BOARD STAFF TO MAKE A RECOMMENDATION FOR FUNDING TO THE SCHOOL
26 FACILITIES BOARD.

27 E. For the purposes of this section, "emergency" means a serious need
28 for materials, services or construction or expenses in excess of the
29 district's adopted budget for the current fiscal year and that seriously
30 threaten the functioning of the school district, the preservation or
31 protection of property or public health, welfare or safety.

32 Sec. 4. Section 15-2031, Arizona Revised Statutes, is amended to read:
33 15-2031. Building renewal fund; definitions

34 A. A building renewal fund is established consisting of monies
35 appropriated by the legislature. The school facilities board shall
36 administer the fund and distribute monies to school districts for the purpose
37 of maintaining the adequacy of existing school facilities. Monies in the
38 fund are continuously appropriated and are exempt from the provisions of
39 section 35-190 relating to lapsing of appropriations.

40 B. The school facilities board shall inventory and inspect all school
41 buildings in this state in order to develop a database to administer the
42 building renewal formula. The database shall include the student capacity of
43 the building as determined by the school facilities board. The board shall
44 distribute monies from the building renewal fund to school districts in an
45 amount computed pursuant to subsection I of this section. A school district

1 that receives monies from the building renewal fund shall use the monies
2 first for any projects that fall below the minimum school facility adequacy
3 guidelines, as adopted by the school facilities board pursuant to section
4 15-2011, and that are part of any buildings in the database and second for
5 any other projects that are part of any buildings owned by the school
6 district for any of the following:

7 1. Major renovations and repairs of a building.
8 2. Upgrading systems and areas that will maintain or extend the useful
9 life of the building.

10 3. Infrastructure costs.

11 4. Relocation and placement of portable and modular buildings.

12 C. Monies received from the building renewal fund shall be used for
13 primary projects, unless only secondary projects exist.

14 D. Notwithstanding subsections B and C of this section, school
15 districts shall use building renewal monies on secondary projects to comply
16 with building, health, fire or safety codes. Before spending building
17 renewal monies on secondary projects to comply with building, health, fire or
18 safety codes, the school facilities board shall approve the projects.

19 E. Monies received from the building renewal fund shall not be used
20 for any of the following purposes:

21 1. New construction.

22 2. Remodeling interior space for aesthetic or preferential reasons.

23 3. Exterior beautification.

24 4. Demolition.

25 5. The purchase of soft capital items pursuant to section 15-962,
26 subsection D.

27 6. Routine maintenance except as provided in section 15-2002,
28 subsection K and subsection L of this section.

29 F. The school facilities board shall maintain the building renewal
30 database and use the database for the computation of the building renewal
31 formula distributions. The board shall ensure that the database is updated
32 on at least an annual basis to reflect changes in the ages and value of
33 school buildings. The facilities listed in the database shall include only
34 those buildings that are owned by school districts that are required to meet
35 academic standards. Each school district shall report to the school
36 facilities board no later than ~~September 1~~ OCTOBER 15 of each year the number
37 and type of school buildings owned by the district, the square footage of
38 each building, the age of each building, the nature of any renovations
39 completed and the cost of any renovations completed. The school facilities
40 board may review or audit, or both, to confirm the information submitted by a
41 school district. The board shall adjust the age of each school facility in
42 the database whenever a building is significantly upgraded or remodeled. The
43 age of a building that has been significantly upgraded or remodeled shall be
44 recomputed as follows:

1 1. Divide the cost of the renovation by the building capacity value of
2 the building determined in subsection I, paragraph 3 of this section.

3 2. Multiply the quotient determined in paragraph 1 of this subsection
4 by the currently listed age of the building in the database.

5 3. Subtract the product determined in paragraph 2 of this subsection
6 from the currently listed age of the building in the database, rounded to the
7 nearest whole number. If the result is negative, use zero.

8 G. The school facilities board shall submit an annual report to the
9 president of the senate, the speaker of the house of representatives, the
10 Arizona state library, archives and public records and the governor by
11 October 1 that includes the computation of the amount of monies to be
12 distributed from the building renewal fund for the current fiscal year. The
13 joint committee on capital review shall review the school facilities board's
14 calculation of the building renewal fund distributions. After the joint
15 committee on capital review reviews the distributions computed by the school
16 facilities board, the school facilities board shall distribute the monies
17 from the building renewal fund to school districts in two equal installments
18 in November and May of each year.

19 H. School districts that receive monies from the building renewal fund
20 shall establish a district building renewal fund and shall use the monies in
21 the district building renewal fund only for the purposes prescribed in
22 subsection B of this section. Ending cash balances in a school district's
23 building renewal fund may be used in following fiscal years for building
24 renewal pursuant to subsection B of this section. By October 15 of each
25 year, each school district shall report to the school facilities board the
26 projects funded at each school in the previous fiscal year with monies from
27 the district building renewal fund, including the amount of expenditures
28 dedicated to primary projects and to secondary projects. On receipt of these
29 reports, the school facilities board shall forward this information to the
30 joint legislative budget committee staff and the governor's office of
31 strategic planning and budgeting staff. Each school district shall also
32 report to the school facilities board an accounting of the monies remaining
33 in the district building renewal fund at the end of the previous fiscal year
34 and a comprehensive three year plan that details the proposed use of building
35 renewal monies. If a school district fails to submit the report by October
36 15 OR THE INFORMATION REQUIRED BY SUBSECTION F OF THIS SECTION, the school
37 facilities board shall withhold building renewal monies from the school
38 district until the school facilities board determines that the school
39 district has complied with the reporting requirement. When the school
40 facilities board determines that the school district has complied with the
41 reporting requirement, the school facilities board shall restore the full
42 amount of withheld building renewal monies to the school district.

43 I. Notwithstanding any other provision of this chapter, if a school
44 district converts space that is listed in the database maintained pursuant to
45 this section to space that will be used for administrative purposes, the

1 school district is responsible for any costs associated with the conversion,
2 maintenance and replacement of that space. The building renewal amount for
3 each school building shall be computed as follows:

4 1. Divide the age of the building as computed pursuant to subsection F
5 of this section by one thousand two hundred seventy-five or, in the case of
6 modular or portable buildings, by two hundred ten.

7 2. Multiply the quotient determined in paragraph 1 of this subsection
8 by 0.67.

9 3. Determine the building capacity value as follows:

10 (a) Multiply the student capacity of the building by the per student
11 square foot capacity established by section 15-2041.

12 (b) Multiply the product determined in subdivision (a) by the cost per
13 square foot established by section 15-2041.

14 4. Multiply the product determined in paragraph 2 of this subsection
15 by the product determined in paragraph 3, subdivision (b) of this subsection.

16 J. If the school facilities board determines that a school district
17 has spent monies from the building renewal fund for purposes other than those
18 prescribed in subsection B of this section, the school facilities board shall
19 notify the superintendent of public instruction. Notwithstanding any other
20 law, the superintendent of public instruction shall withhold a corresponding
21 amount from the monies that would otherwise be due the school district under
22 the capital outlay revenue limit until these monies are repaid.

23 K. Beginning on July 1, 2002, a school district is not entitled to
24 receive monies from the building renewal fund for any buildings that are to
25 be replaced with new buildings that are funded with deficiencies corrections
26 monies. The replacement buildings are not eligible to receive building
27 renewal funding until the fiscal year following the completion of the
28 building.

29 L. Notwithstanding subsections B and E of this section, a school
30 district may use eight per cent of the building renewal amount computed
31 pursuant to subsection I of this section for routine preventative
32 maintenance. The board, after consultation with maintenance specialists in
33 school districts, shall provide examples of recommended services that are
34 routine preventative maintenance.

35 M. A school district that uses building renewal monies for routine
36 preventative maintenance shall use the building renewal monies to supplement
37 and not supplant expenditures from other funds for the maintenance of school
38 buildings. The auditor general shall prescribe a method for determining
39 compliance with the requirements of this subsection. A school district, in
40 connection with any audit conducted by a certified public accountant, shall
41 also contract for an independent audit to determine whether the school
42 district used building renewal monies to reduce the school district's
43 existing level of routine preventative maintenance funding. The auditor
44 general may conduct discretionary reviews of a school district that is not
45 required to contract for an independent audit.

1 N. For the purposes of this section:

2 1. "Primary projects" means projects that are necessary for buildings
3 owned by school districts that are required to meet the academic standards
4 listed in the database maintained pursuant to subsection F of this section
5 and that fall below the minimum school facility adequacy guidelines, as
6 adopted by the school facilities board pursuant to section 15-2011.

7 2. "Routine preventative maintenance" means services that are
8 performed on a regular schedule at intervals ranging from four times a year
9 to once every three years and that are intended to extend the useful life of
10 a building system and reduce the need for major repairs.

11 3. "Secondary projects" means all projects that are not primary
12 projects.

13 4. "Student capacity" has the same meaning prescribed in section
14 15-2011.